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ABSTRACT

A northern Illinois school district (School District 300), forced by budget cuts to curtail its teaching staff, used incentives and the decisionmaking methods of William Ouchi's Theory Z to reduce layoffs. The superintendent and the teachers' union leadership established a Transfer Council of six administrators and nine teachers to plan staff reductions and transfers for 1982-83. The Council's participatory, consensus-based process was tedious, but as with most Theory Z decisions its transfer plan was executed quickly and efficiently, and was well received. The following year, however, with additional school closings and consolidations, 52 tenured teachers had to be laid off, and 98 transferred. The 1983-84 Transfer Council surveyed teachers and administrators before deciding to base transfers on seniority. Then, to minimize disruption of employees' lives, the council designed an incentive program that encouraged teachers considering leaving full-time employment to do so by resigning, taking leaves of absence, or working part-time. Thirty-eight teachers took advantage of this program and with 10 additional resignations the district laid off only 4 tenured teachers. Although the program relied on the school environment, and thus cannot be directly transplanted, other school systems may use it as a general model. (MCG)

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REDUCING THE IMPACT OF R.I.F.--AN INCENTIVE PROGRAM

March 1984

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In late Spring of 1981 the newspapers and weekly news magazines were reviewing the book Theory Z by William Ouchi. Several feature articles appeared at that time in Newsweek and Time in regard to Ouchi's work.

Our Superintendent of Schools, Dr. Robert Trevarthen, recognized the implications of the Ouchi theory applied to public sector endeavors. Dr. Trevarthen gave copies of Theory Z to Brian Husted, President of LEAD (Local Education Association of District 300) and to Joe Anderson, Uniserv Director of the Illinois Education Association. The Superintendent asked both of these gentlemen to read the book and to convey their reactions.

To say that reaction was positive is to understate their reaction. The two main points of Theory Z, shared decisions between management and labor (or in this case administration and teachers) and the consensus mode of arriving at decisions were exactly what these 3 gentlemen were looking for to solve the immediate problems facing School District 300.

The problems were large and immediate. School District 300 is located in Northern Illinois about 45 minutes west of Chicago. The district is partially suburban and partially rural demographically. Twenty one schools served about 10,500 students, down from a 1974 high of almost 13,000 students. The certified staff numbered about 600. Budget expenditures exceeded budget income by about 1.5 million on a 26 million dollar budget. The solutions were obvious. We needed to close some schools and reduce our teaching staff to realign income and expenditures. All phases of the budget had been examined with surgeons precision and cut to minimums. Further staff reductions were not possible without program cuts or drastic class size increases. Again we return to the inevitable conclusion - we must close schools and take advantage of the benefits derived from being able to fill class sections to capacity. The other two major benefits

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derived from closing schools are 1) a reduction in administrative costs and 2) a reduction in utility costs.

What schools and how many staff members were the two questions. The Board of Education concluded which schools to close (2 elementary schools) and sheer economics dictated the tenure staff reductions.

The Superintendent and Union leadership met to discuss our transfer policy. After several long sessions a concensus of opinion was reached that a Theory Z council might be a way to improve our policy.

The Superintendent appointed a cross section of 6 administrators and the Teachers Union president appointed 9 teachers to serve on the original Theory Z council.

All of the new committee members were shocked to receive a homework assignment. We were directed to read and be prepared to discuss Ouchi's Theory Z prior to our first meeting.

The goal of the 1981-82 Theory Z council was to take personnel from two closed Elementary Schools, R.I.F. the excess teachers and provide for the transfer of teaching veterans to new locations in existing schools for the fall of 1982.

As it turned out, attrition and non-tenure layoffs took care of staff reductions. No tenure teachers were lost to the district. The Theory Z council soon became the Transfer Council and focused attention on the transfer process for the 1981-82 school year.

The Transfer Council was a tedious method of decision making. Communication with constituencies, consensus decisions and the development of faith and trust on the council were the reasons for the snail pace of action. (An administrator faced with severe time constraints would be well advised to avoid the consensus mode of decision making.) As is the case with most Theory Z decisions, the design of the transfer plan took a great deal of time and the implementation was quick and efficient. The policy designed at that point in time was simply one of

matching the administrator's choice for teaching positions with teacher requests for transfer. Teachers who did not secure a match were assigned by the Transfer Council. A great majority of teachers received their first or second choice of school and grade level assignment. Little negative reaction was generated from the transfer process since all teachers and administrators were consulted frequently and were well informed about the process. Thrity nine tenure teachers were transferred.

We thought the work of the Transfer Council was completed.

Then the financial crunch of the early '80's took effect in our school system and our budget projections took another nose dive. The hard times of school closings and teacher transfer for the 1982-83 school year were beginning to look like the "good old days" in retrospect.

An additional budget deficit of over a million dollars emerged as the 1982-83 school year progressed. Instead of living just a bit beyond our means, as was the case in 1981-82, we now faced a reduction of means. In fact, projected revenues turned out to be about 1.2 million dollars short. Reduction of expenditures was imperative prior to the 1983-84 school year.

Debate became rancorous; emotion and politics became involved. Finally, the Board of Education bit the bullet and decided on further school consolidations and closings. Four high schools were to be consolidated into three. Four middle schools were to be consolidated into three. An additional Elementary school was closed. One of the high schools was re-opened as a consolidation facility for two previous Middle Schools. The net closings and consolidations amounted to closing two schools in addition to the two closed in 1982.

The number of non-tenured teachers who would be released was 45. The number of tenured teachers to be R.I.F.ed was 52. Ninety-eight teachers needed to be transferred. A new challange faced the Transfer Council in the Early Spring of 1983.

By mutual agreement the Transfer Council was increased to 11 teachers and 7

administrators. Extrapolating from previous council experience, the group decided to survey the district's teachers and administrators to determine their priorities for a teacher transfer plan. Of the 43 items ranked, teachers overwhelmingly chose years of teaching in our school district as the most important factor affecting their transfer: Administrators, on the other hand, ranked teaching ability as the most important factor to consider in teacher transfer. The age old and obvious conflict confronted the Transfer Council.

Hours of discussion spaced over several weeks produced the consensus decision that teacher transfer would be based on seniority. The superintendent was to be given 15 teaching positions to fill prior to the transfer process to assure that the buildings would either receive or retain vital personnel.

At this time, the Transfer Council received the statistics regarding R.I.F.s and and transfers prepared by the Personnel Department. Ninety-eight transfers and fifty-two R.I.F.s of tenured teachers was projected. When faced with a name list of individuals the task was awesome. The focus of discussion shifted from the mechanics of transferring people to empathy for the disruption occuring in peoples' lives.

How could we limit, discount or alleviate disruption? Ideas flowed in from every direction; other school districts, industry, local professionals, union contracts, our own personnel policies, members of the council, teachers and members of the public. Old assumptions were challenged. New ideas integrated. Shazam! The Incentive Program was born in the Transfer Council.

The concept involved was simple: Give teachers considering leaving the ranks of our system a nudge to do so, thereby saving a position for someone wanting to stay.

Here is what we came up with:

Show incentive program and explain.

Shared positions
Educational stipend and shared position
Leave of absence

Educational stipend and leave of absence
Early retirement
Part time positions
Resignations
Retirement

One of the criterion for the incentives was that each incentive must be cost effective on it's own merit, not collectively. The average salary in our district, at that time, was 20,700. The cost effectiveness is arrived at by replacing a teacher in that bracket with a newcomer or a person lower on our seniority list.

Thirty-eight teachers took advantage of the incentive program and an additional ten resigned after the window period on incentives had passed. Our actual R.I.F. number was 4 instead of the projected 52. These statistics are worthy of pride. More importantly, the humanity demonstrated by all was gratifying to each.

As we meet here today I have a modification of an existing incentive and an additional one proposed by this year's Transfer Council and approved by our Board of Education.

They are:

Modification to Incentive Number I

Add 1st, 2nd & 3rd grade teachers
and
The incentive resignation program.

I would like to close this presentation with a word of caution. This incentive program is a part of a larger concept of faith and trust developed in our school district. The program cannot be directly transplanted. You are welcome however, to utilize any or all of it that might work in your system.

Are there any questions?

I have a pass out here for you at the front table.

COMMUNITY UNIT SCHOOL DISTRICT NO. 300

Number of teachers transferred	98
Number of teachers taking advantage of incentives	38
Number of resignations during period 6/1/83 through 8/31/83	10
Number of non-tenure teachers dismissed	45
Number of teachers R.I.F.	4
Number of teachers recalled	1
Number of teachers rehired	26

Adopted
1/23/84

INCENTIVES FOR TENURED STAFF

The purpose of these recommendations is to provide some flexibility and opportunities for teachers and administrators in Community Unit School District No. 300, while at the same time minimizing the number of certified staff subject to dismissal or termination. Requests for any of the following programs must be submitted by February 20.

1. Shared Position

Certified personnel will be allowed to share teaching or administrative positions. Individuals electing to share positions must be full-time active employees. Salaries will be prorated according to the proportional share of the full-time position each works. The Board of Education will assume the cost of insurance benefits equal to full-time employees for both parties. Tenure rights will not be forfeited as a result of sharing a position. Accrued seniority will not be affected, however, if a person elects to share a position, he/she will accumulate seniority for the duration of the agreement on a part-time basis.

Job sharing assignments shall be filled only by employees who have jointly agreed to work together. Such assignments shall be granted annually upon mutual agreement of the employees and their immediate supervisor based on the merits of the plan. Teachers who share positions will not be eligible for a leave of absence during the year a position is shared.

2. Part Time Positions

Full-time certified employees may opt for a part-time position without forfeiting tenure if the arrangement is mutually agreed to by the employee and the school district.

3. Educational Stipend and Shared Position

Certified personnel whose 1983-84 scheduled salary exceeds $21,000 may share a position and be granted a $1,000 educational stipend. This stipend will be paid in two installments. One half will be paid upon receipt of a valid registration form from a recognized college or university. The other half of the stipend will be paid upon receipt of an official transcript from a recognized college or university showing the completion of at least 12 graduate credit hours during the time period of the shared position agreement.

4. Educational Stipend and Leave of Absence

Certified employees whose 1983-84 scheduled salary exceeds $21,000 may be granted a one year leave of absence for educational purposes. A $2,000 stipend will be paid in two installments. One half will be paid upon receipt of a valid registration form from a recognized college or university. The other half will be paid upon receipt of an official transcript from a recognized college or university showing the completion of at least 24 graduate credit hours during the time period of the leave.

Educational Stipend and Leave of Absence (con't.)

Payment is contingent upon the individual returning to a position in District No. 300. Tenure status will not be impaired by virtue of the leave. No experience credit will be granted for the year the employee is on leave. Hospitalization, major medical and dental insurance benefits may be purchased by the employee at the group rate.

5. Leave of Absence (pertains to leaves applied for between 1/1 and 2/20/84)

A leave of absence may be granted to tenured certified staff. No specific reason for the leave need to be given. Tenure status shall not be impaired by virtue of the leave. Employees will not receive experience credit for the time they are on leave. If the employee is teaching in another district while on leave, experience credit, with proper documentation, may be awarded by the Transfer Council. Employees will not receive seniority credit for the time they are on leave. The Board of Education will assume the cost of full medical/hospitalization benefits (single plan) limited to one year.

A one-semester leave may be granted to tenured certified staff contingent upon approval of the immediate supervisor.

Individuals who are on leave of absence may have it extended, if application is made by February 20.

6. Early Retirement

The Board of Education will pay the employee and employer contributions for those certified staff members who elect to participate in the TRS early retirement program (age 55 to 60). A stipend equal to one-fifth of the retired employee's last scheduled salary will be paid to individuals who agree to provide 30 days consultant work to the district to be worked out by mutual agreement between the Superintendent and the retiree. An employee may use part or all of this stipend to purchase health benefits after retirement until age 65.

7. Retirement

Certified personnel, age 60 or more, who submit letters of retirement effective July 2, are eligible for a severance stipend. To receive this benefit staff members must submit letter of retirement prior to February 20.

This stipend is payable July 2, at a rate of $50.00 per day for each day of unused sick leave. If the retiree elects to use 170 days of accumulated sick leave toward retirement credit the stipend will be paid on the remainder of unused sick leave not applied toward retirement credit.

8. Resignations

Certified personnel who submit letters of resignation effective at the end of the school year may be eligible for a severance stipend and a total wage payout at a time between June 8 and October 1 which is mutually agreeable to both parties. To receive this benefit staff members must be actively employed for the 1983-84 school year and submit letters of resignation prior to February 20.

Persons who submit resignations during the designated time period will be reimbursed according to the schedule below:

A. Any unused sick days or personal days during 1983-84 will be reimbursed at $50.00 per day.

B. Same as A except 10 additional days of accumulated sick leave may be submitted at $50.00 per day. A minimum of $500.00 will be awarded to persons resigning in this category.

C. Same as A except 15 additional days of accumulated sick leave ($50.00 per) may be submitted plus 3% of the 1983-84 salary will be paid.

D. Same as A except 20 additional days of accumulated sick leave ($50.00 per) may be submitted plus 5% of the 1983-84 salary will be paid.

E. Same as D except that 7% of the 1983-84 salary will be paid.

F. Same as A except 25 additional days of accumulated sick leave may be submitted plus 10% of the 1983-84 salary will be paid.

G. Same as A except 30 additional days of accumulated sick leave may be submitted plus 12% of the salary will be paid.

H. Persons age 60 or more who are retiring may opt for either the resignation option (Incentive #8) or the retirement clause which is Incentive #7 on the previous page.

***Administrators may exercise this option and come in at the Senior Status level or at their present salary level, whichever is less.

Salary Schedule
1983-84

	B.A.	B.A. +15	M.A.	M.A. +15	M.A. +30
A)	$13,692	$14,314	$14,937	$15,559	$16,181 not applicable
	14,183	14,858	15,586	16,432	17,122
	$14,521	15,551	16,261	19,049	20,051
B)	15,115	16,062	18,000	19,692	20,560
	15,726	16,573	18,981	20,196	21,745
	$16,236	16,997	19,487	20,713	22,278
	16,747	17,607	20,006	21,348	22,982
C)	17,257	18,118	20,520	21,763	23,562
	17,782	18,628	21,067	22,276	23,977
	$19,124	19,151	21,630	22,780	24,635
D)		19,662	E) 22,325	23,275	25,047
		21,304	23,353	23,779	25,563
			24,391	24,271	26,089
				24,773	26,628
				F) 26,150	28,380
					29,905
				G) Senior Status	31,264